UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

PAYRANGE INC., Plaintiff, v. CSC SERVICEWORKS, INC., Defendant.	Civil Action No.: 1:23-cv-00278-MN **JURY TRIAL DEMANDED**

FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT

1. Plaintiff PayRange Inc. ("PayRange") hereby alleges as follows for its First Amended Complaint against Defendant CSC ServiceWorks, Inc. ("CSC").

FACTUAL BACKGROUND

2. This case is about two companies: PayRange, which pioneered a mobile payment system for unattended retail machines through its patented technology and, CSC, which strung PayRange along with promises of a partnership all the while copying PayRange's technology. In doing so, CSC willfully infringed PayRange's patent rights.

3. As background, PayRange's acclaimed technology enables its customers to upgrade a coin-operated unattended retail machine into a state-of-the-art mobile payment solution with a small module, called "BluKey." PayRange's mobile app communicates with BluKey to enable mobile transactions. The United States Patent & Trademark Office ("USPTO") awarded PayRange a portfolio of patents for its innovations.

4. In 2013, a private entity firm (Pamplona Capital Management, LLP) acquired and merged two companies: Coinmach Service Corporation and AIR-serv Group. From this merger, CSC was formed as the preeminent owner, nationwide, of coin-operated laundry machines, which are leased to apartment complexes and hotels for use by occupants. The Ontario

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Teacher's Pension Plan and Neurberger Berman private equity firm subsequently acquired a significant stake in CSC.

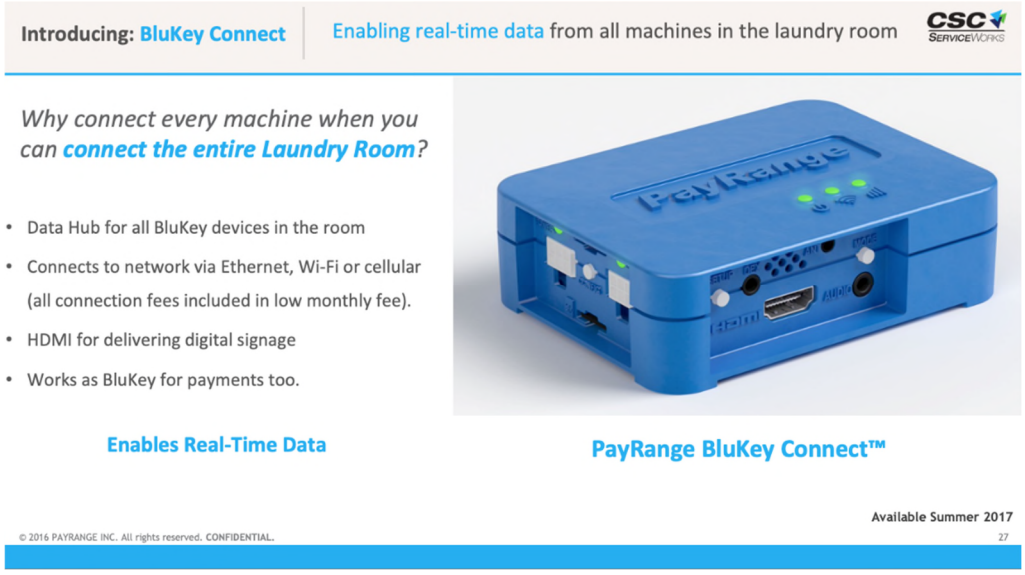
5. On information and belief, CSC witnessed PayRange's emergence and devised a scheme to transform itself from a laundry machine operator into a profitable technology company. On information and belief, CSC began in 2016 by fraudulently notifying thousands of CSC customers that CSC was authorized to immediately begin charging a 9.75% administrative fee. CSC's assertion was false and this resulted in a class action lawsuit. Undeterred, CSC sought to accelerate its transformation by deceiving PayRange into disclosing its patented technology under the guise that CSC was evaluating PayRange's technology for a partnership. In truth, there was never to be a partnership. On the contrary, CSC was systematically copying PayRange's patented technology to develop its own copycat system (named CSC Go and CSCPay Mobile).

6. On information and belief, CSC initiated its scheme to deceive PayRange in October 2016. At an initial meeting, CSC's Executive Vice President (Taylor Doggett) commented that PayRange's "***timing is impeccable***, ***as we are looking for ways in payment systems*** to take coins out of the room cost effectively …" (emphasis added). CSC clearly recognized the need to rapidly upgrade its payment systems to increase its profitability and valuation. To do so, CSC needed PayRange's patented technology, but, did not want to pay PayRange for at least two reasons: (1) CSC wanted to reposition itself as a technology company with current and future investors and (2) paying a license fee would reduce CSC's profitability.

7. Impressed with PayRange's technology, CSC scheduled a face-to-face meeting in early 2017. On information and belief, even though CSC was working to build its own solution, CSC continued engaging PayRange under the pretense of "evaluating" its technology. At the

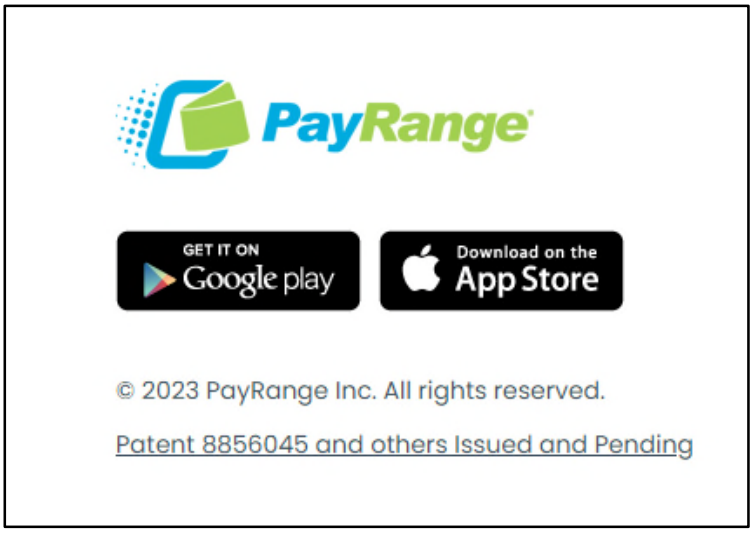
meeting, PayRange made a detailed technical presentation. The following annotated meeting slide emphasizes PayRange's "patented technology":

8. CSC therefore knew that PayRange's solution was covered by one or more patents. Further, on information and belief, CSC knew that copying PayRange's products would constitute patent infringement. To the extent that CSC did not have pre-suit knowledge of any patent-in-suit, it was because CSC willfully blinded itself to such knowledge. For example, CSC may have willfully avoided looking at PayRange patents, despite knowing (or reasonably suspecting) that PayRange had relevant patents. PayRange's presentation also provided information regarding its "connected room" device, named "BluKey Connect":

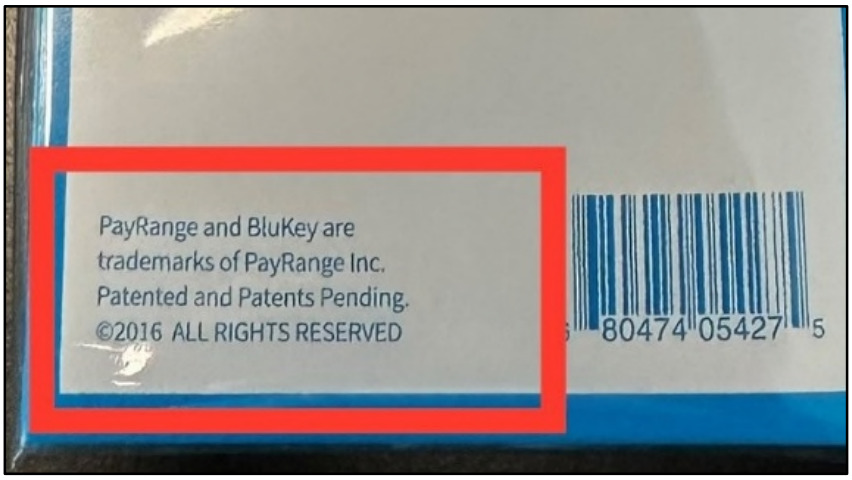


9. CSC expressed keen interest in PayRange's connected room. CSC then requested sample BluKey devices "for ***immediate*** testing." (emphasis added). PayRange shipped three devices to CSC at no cost for CSC to evaluate. The invoice included with the order references the Operator Terms of Service on the PayRange website.

10. The website referenced on the invoice has clear notification for the PayRange patents, along with the terms of service which confirm PayRange's ownership of intellectual property rights.



11. CSC opened the packaging to retrieve the devices upon receipt. The packaging of the devices has clear notification for the patents plainly visible from the exterior, and CSC likely opened the package from the back side with the notification to remove the device from the packaging.



12. Upon information and belief, after CSC removed the devices from the packaging, the devices were registered the PayRange website. Again, the website has patent notifications. The user creating the CSC operator account must accept the terms and conditions of the PayRange service prior to account sign-in. The terms and conditions state that the PayRange service is protected by intellectual property laws.

13. CSC's account (No. A11746) was created on the PayRange platform and is registered to Mr. Taylor Doggett, who PayRange was communicating with regarding the evaluation of the product and who had previously commented in October 2016 that PayRange's "***timing is impeccable***, ***as we are looking for ways in payment systems*** to take coins out of the room cost effectively …" (emphasis added).

14. Once CSC is signed in, it must register the device on the PayRange Manage web portal. The PayRange BluKey device serial number and PIN are required for registration, which

are found on a label on the back of the device. The label contains a patent notification (the device picture below is the same model sent to CSC, but not the actual serial number).

CSC would have had to look at the device label to obtain the serial number and PIN and would have been informed that there is at least one, if not more, patents covering the PayRange technology including United States Patent No. 8,856,045 ("the '045 Patent"). Further, upon information and belief, CSC did look at the label because the devices were registered to the CSC account between April 19, 2017 and May 5, 2017. To the extent that CSC did not have pre-suit knowledge of any patent-in-suit, CSC's behavior (including its failure to ever explain non-infringement or invalidity) is evidence of willful blindness.

Viewing As CSC Service Works

DEVICES List

All Dates | 01-January-2014 12 : 00 AM | 19-May-2023 11 : 59 PM

Filter... Search

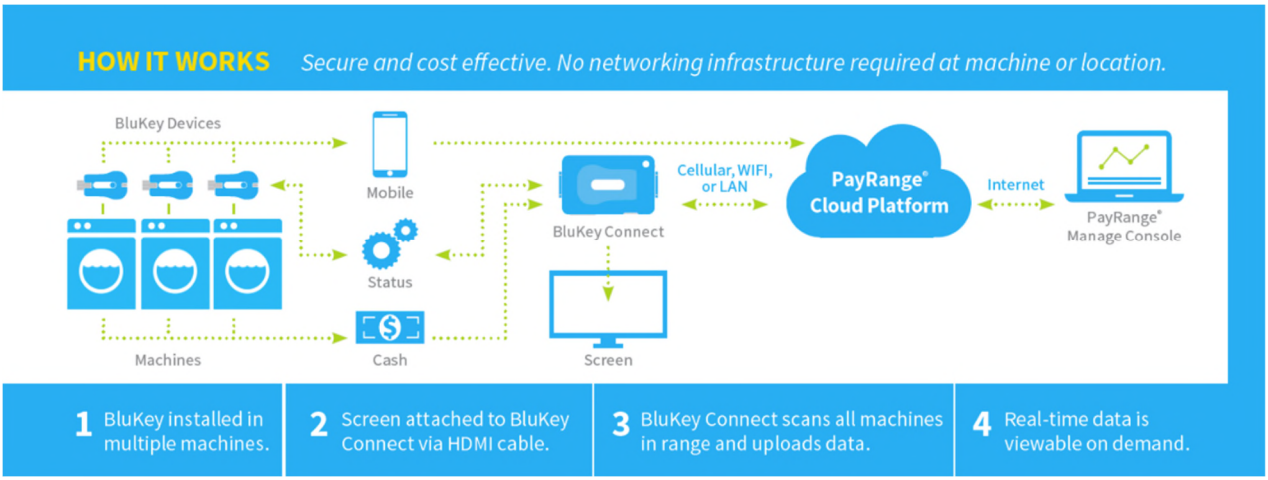
Registered Date	Device ID	Display Name	Image	Location	Device Status	Firmware	Pending Transactions
05/05/2017 5:54AM PDT	10049944	Washer 2	02	1755 Spaulding Road Dayton OH 45432		27	0
05/04/2017 12:36PM PDT	10016340	Washer #01	01	Acme Company		29	0
04/19/2017 2:10PM PDT	10049945	Dryer 1	01	1755 Spaulding Road Dayton OH 45432		27	0

Show rows 25 Showing 1 - 3 of 3 | Export to CSV Export to PDF

Once registered, CSC performed 32 test transactions using the evaluation devices they received, unpacked, and registered.

15. Impressed with the testing results, CSC scheduled an in-depth private meeting at the June 2017 "Clean Show," which is a major trade show for laundry route operators. CSC's senior management, including its Chief Operations Officer (Phil Emma) and Executive Vice President (Taylor Doggett) attended the show. After the meeting, Mr. Emma wrote that he was "***impressed with the progress*** that you and the team have made connecting laundry into PayRange." (emphasis added). CSC encouraged PayRange to provide even more detailed technical information.

16. Believing that a deal with CSC was imminent, PayRange provided another detailed presentation which, in the executive summary section, noted that "[a] partnership with PayRange will include appropriate licenses of our ***extensive intellectual property portfolio*** which can help protect CSC against claims of infringement by others ***as you will be using our intellectual property and technology***." (emphasis added). PayRange's presentation went on to provide the following overview of its system architecture:



17. PayRange's technical presentation also identified its then issued patents, including at least one of the patents-in-suit:

#	Patent Number	Title
1	9,547,859	Method and system for performing mobile device-to-machine payments
2	D773,508	Display screen or portion thereof with a graphical user interface
3	D764,532	Display screen or portion thereof with animated graphical user interface
4	D763,905	Display screen or portion thereof with animated graphical user interface
5	D763,888	Display screen or portion thereof with graphical user interface
6	D755,183	In-line dongle
7	9,262,771	Method and system for providing offers for automated retail machines via mobile devices
8	9,256,873	Method and device for retrofitting an offline-payment operated machine to accept electronic payments
9	9,134,994	Method and system for updating firmware using a mobile device as a communications bridge
10	8,856,045	Mobile-device-to-machine payment systems
11	9,659,296	Method and system for presenting representations of payment accepting unit events

18. PayRange's presentation expressly identified the '045 patent. The '208 patent is a continuation of the '045 patent, thus sharing the same specification and figures. The '608 patent is a continuation-in-part of U.S. Patent No. 9,256,873, which PayRange expressly identified.

The ’772 patent is an indirect continuation of U.S. Patent No. 9,659,296, which is also expressly identified. To the extent that CSC did not expressly have knowledge of any patent-in-suit by virtue of the above presentation, CSC willfully blinded itself to such knowledge by failing to investigate patent families which PayRange identified as relevant.

19. CSC clearly knew that copying PayRange’s products was patent infringement. On information and belief, CSC was impressed with PayRange’s proposal, including PayRange’s extensive patent portfolio. PayRange, in fact, met with CSC twice more to discuss PayRange’s patented technology in even greater detail. After improperly obtaining as much information from PayRange as it could, in early 2018, CSC abruptly terminated communications with PayRange. PayRange sought an explanation, but CSC remained suspiciously tight-lipped. To the extent that CSC did not have pre-suit knowledge of any patent-in-suit, CSC’s behavior (including its failure to ever explain non-infringement or invalidity) is evidence of willful blindness.

20. In April 2018, CSC released its own mobile app (CSCPay Mobile) with functionality copying the PayRange’s mobile app. Through CSC’s product release, its true motives came to light. CSC had extracted information from PayRange to provide CSC with a technical shortcut, thus brazenly disregarding PayRange’s patent rights. The release of CSC Go coincided with CSC’s valuation increasing from $3 billion in 2018 to over $4 billion in 2020 as it was now repositioned from an operator of automated retail machines into a technology company operating automated retail machines. That same year, CSC released a second mobile app (CSC Go) which like the original CSCPay App, copied the functionality of the PayRange App.

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21. On Mach 4, 2021, CSC was deposed in another patent lawsuit brought by PayRange against KioSoft, its technology supplier at the time. On information and belief, the fact that CSC's technology supplier was being accused of patent infringement caused CSC to investigate PayRange's patent portfolio, resulting in CSC attaining knowledge of the patents-in-suit.

22. On March 3, 2023, PayRange sent CSC's counsel a detailed presentation discussing its intellectual property and CSC's continued infringement. PayRange also sent a draft complaint which included specific and detailed allegations for each patent-in-suit. CSC did not substantively respond and, on information and belief, took no steps to abate its ongoing infringement. Rather, CSC continued to directly infringe with new installations and continued to induce end-users to infringe the patents-in-suit.

23. PayRange brings this case to hold CSC accountable for its willful infringement of PayRange's patent rights. PayRange has suffered monetary damages and is entitled to a money judgment in an amount adequate to compensate for CSC's infringement, together with interest and costs as fixed by the Court. PayRange also seeks to enjoin further installations of infringing payment modules and to remove the infringing apps from the Google Play Store and Apple App Store.

NATURE OF ACTION

24. This is a civil action for patent infringement arising under the patent laws of the United States, Title 35 of the United States Code.

25. As set forth in more detail below, CSC has been infringing and continues to infringe PayRange's patents, namely, the '045 Patent and United States Patent Nos. 10,438,208; 10,891,608; and 11,481,772 (the "'208 Patent," "'608 Patent," and "'772 Patent") respectively or, collectively the "patents-in-suit") and continues to do so through the present date.

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THE PARTIES

26. PayRange is a Tennessee corporation with its principal place of business at 9600 NE Cascades Pkwy, Suite 280, Portland, OR 97220.

27. CSC is a Florida corporation with its principal place of business at 35 Pinelawn Road, Suite 120, Melville, NY 11747. On information and belief, CSC operated as a Delaware corporation for some time prior to March 22, 2019.

JURISDICTION AND VENUE

28. This is a civil action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1 et seq.

29. This Court has subject matter jurisdiction over this patent infringement action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

30. Also, upon information and belief, CSC has infringed PayRange's patents-in-suit in this District by, among other things, engaging in infringing conduct within and directed at, or from, this District. For example, upon information and belief CSC engaged in infringing conduct while organized as a Delaware Corporation. CSC has purposefully and voluntarily placed one or more of its infringing products, as described below, into the stream of commerce with the expectation that these infringing products will be used in this District. CSC's infringing products have been and continue to be used in this District.

31. This Court also personal jurisdiction over CSC because CSC has consented to personal jurisdiction for this case.

32. This Court also has personal jurisdiction over CSC because, upon information and belief, its corporate parent CSC ServiceWorks Holdings, Inc., is a corporation organized and existing under the laws of the State of Delaware. On information and belief, CSC is a wholly owned subsidiary of Coinmach Laundry, LLC, a Delaware corporation. CSC operates as an

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agent or alter ego of its Delaware parent, CSC ServiceWorks Holdings, Inc. For example, in the Apple App store, CSC ServiceWorks Holding, Inc. is identified as the publisher of CSC Go but the "developer's privacy policy" identifies CSC as the publisher. Similarly, CSC ServiceWorks Holding, Inc. is identified as the publisher of CSCPay Mobile, yet the "App Support" link is directed to the website for CSC. Further, CSC is a wholly owned subsidiary of CSC ServiceWorks Holding, Inc.

33. Venue is proper in this District pursuant to 28 U.S.C § 1391(b) and 28 U.S.C. § 1400(b). CSC has consented to venue for purposes of this case. Additionally, CSC has consented to venue in this District through its appointment of a registered agent for service of process in Delaware: The Corporation Trust Company, Corporation Trust Center, 1209 Orange St., Wilmington, DE, 19801.

PAYRANGE'S PATENTS-IN-SUIT

34. To protect its unique and innovative technologies, PayRange filed a provisional patent application (No. 61/917,936) on December 18, 2013.

35. On October 7, 2014, the USPTO issued the '045 Patent, titled "MOBILE-DEVICE-TO-MACHINE PAYMENT SYSTEMS." A true and correct copy of the '045 Patent is attached hereto as **Exhibit 1**.

36. On October 8, 2019, the USPTO issued the '208 Patent, titled "SYSTEMS AND METHODS FOR INTERACTING WITH UNATTENDED MACHINES USING DETECTABLE TRIGGER CONDITIONS AND LIMITED-SCOPE AUTHORIZATION GRANTS." A true and correct copy of the '208 Patent is attached hereto as **Exhibit 2**.

37. On January 12, 2021, the USPTO issued the '608 Patent, titled "METHOD AND SYSTEM FOR AN OFFLINE-PAYMENT OPERATED MACHINE TO ACCEPT

ELECTRONIC PAYMENTS." A true and correct copy of the '608 Patent is attached hereto as **Exhibit 3**.

38. On October 25, 2022, the USPTO issued the '772 Patent, titled "METHOD AND SYSTEM FOR PRESENTING REPRESENTATIONS OF PAYMENT ACCEPTING UNIT EVENTS." A true and correct copy of the '772 Patent is attached hereto as **Exhibit 4.**

COUNT I
INFRINGEMENT OF THE '045 PATENT

39. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

40. PayRange is the assignee and owner of all right, title, and interest in and to the '045 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product embodying the '045 Patent throughout the United States, and to import any product embodying the '045 Patent into the United States.

41. The '045 Patent is an invention of systems and methods for facilitating a cashless transaction for purchase of at least one product or service by a user from a payment accepting unit, e.g., a laundry machine or vending machine.

42. One aspect of the '045 Patent that was counterintuitive was using the mobile device as an intermediary between the mobile device and the server. In conventional systems, payment accepting machines were designed to include a long-range communication interface, such as a telephone based modem or cellular modem. This approach allowed for the payment accepting unit to request and/or receive authorizations from a trusted server. A typical transaction would involve the customer initiating a purchase with his or her phone. That request would be conveyed to a remote server which, in turn, would determine whether to authorize the purchase. The server would then communicate with the payment accepting unit. In other words,

the payment accepting unit would communicate only with a server and the mobile device would likewise only communicate with a server. One disadvantage with this conventional approach is that retrofitting payment accepting machines with a modem (e.g., a long-range communication interface) to communicate with a server is expensive and complicated for a technician. Further, cellular communication typically requires a subscription which could become prohibitively expensive, especially for infrequently used machines. As a result, many operators elected to retain a coin-based operations or to utilize a card-based solution instead.

43. Because the ’045 Patent used the customer’s phone as the mechanism for communicating with a server, substantial cost savings were achieved for the owner of the payment accepting units. The ’045 Patent therefore used an unconventional approach whereby the mobile phone was used by the payment accepting unit as a mechanism for achieving long-range communication. To that end, the payment accepting unit may include an adapter module which encrypts the authorization request such that only the server can decrypt the request. According to the claims of the ’045 Patent, the mobile device plays a discrete role in the payment process, namely that of an intermediary requiring little, or no, trust. That was an unconventional use of a mobile device, which was far from routine.

44. A further unconventional advantage of the mobile device’s discrete role is funds being stored on the server as a prepaid balance. Prepayment allows transactions to process as if cash was inserted into the machine, minimizing transaction costs. Further it allows for an up-to-date balance to be displayed on the mobile device or even for the balance to be forwarded to the payment accepting unit to be displayed to the user without ever looking at the mobile device. Additionally, separating the steps of payment with purchase was an unconventional way to

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substantially reduce the hardware costs as it eliminated the need for a credit card reader installed in each machine

45. Another unconventional aspect of the ’045 Patent was concept of surrounding the adapter module (within the payment accepting unit) with both a payment zone and an authorization zone. The conventional approach was to treat payment and authorization as part of the same process. For example, in a vending machine with a credit card reader, the process of paying would result in authorization to disperse the goods or services. The use of multiple zones provided numerous advantages, including pre-payment of digital currency to minimize credit card transaction fees and mitigate the impact of areas with poor cellular coverage.

46. A key challenge that existed prior to the ’045 Patent’s invention is that the mobile phone is entrusted to send an authorization code to the payment accepting unit. The ’045 Patent describes and claims adding security mechanisms to prevent the mobile phone from being able to generate its own authorization codes. Alternative techniques, at the time of the invention, involve downloading software to the mobile phone that generates authorization codes and processes transactions on the mobile phone. This introduces possible security vulnerabilities. The ’045 Patent remedied this by adding an adapter module with its own security technology. When payment is received, the adapter module generates a secured authorization. When the secured authorization is sent to the mobile phone, it is encrypted and undecipherable by anything but the server. The mobile phone then forwards the encrypted authorization to the server to process the transaction.

47. Upon information and belief, CSC has and is infringing at least claims 1-4 and 10-12 of the ’045 Patent in this District and elsewhere in the United States, by, among other

things, directly or through intermediaries, making, using, selling and/or offering for infringing products with mobile payment functionalities, covered by one or more claims of the ’045 Patent. CSC is directly infringing, literally infringing, and/or infringing the ’045 Patent under the doctrine of equivalents. CSC is thus liable for infringement of the ’045 Patent pursuant to 35 U.S.C. § 271(a).

48. CSC infringes at least the above-identified claims of the ’045 Patent by including a mobile-device-to-machine payment system for facilitating a cashless transaction for purchase of at least one product or service by a user from a payment accepting unit having input mechanisms, the user having a mobile device having both short-range communication technology and long-range communication technology, the payment accepting unit capable of dispensing at least one product or service, said system comprising: (a) an adapter module associated with the payment accepting unit, said adapter having short-range communication technology for communicating with the short-range communication technology (e.g., Bluetooth) of the mobile device; (b) a server having long-range communication technology for communicating with the long-range communication technology of the mobile device; (c) said adapter module for sending an authorization request for funds to the mobile device using short-range communication technology, the mobile device forwarding said authorization request for funds to said server using long-range communication technology; and (d) said server for sending an authorization grant for funds to the mobile device using long-range communication technology, the mobile device forwarding said authorization grant for funds to said adapter module using short-range communication technology; (e) wherein the payment accepting unit dispenses the at least one product or service in response to receiving user input to the payment accepting unit input mechanism if said adapter module has received said authorization grant.

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49. Upon information and belief, CSC will continue to directly infringe the ’045 Patent unless enjoined.

50. To the extent CSCPay Mobile and/or CSC Go as installed on a smartphone, do not directly infringe at least claim 1 of the ’045 Patent, CSC contributes to infringement of the same under 35 U.S.C. § 271(c) inasmuch as infringing products offered for sale and sold by CSC are components of a patented machine or an apparatus used in practicing a patented process, constituting a material part of PayRange’s invention, knowing the same to be especially made or especially adapted for use in infringement of the ’045 Patent.

51. CSCPay Mobile and/or CSC Go as installed on a smartphone directly infringe the ’045 Patent and are being provided by CSC to install in their community laundry rooms, in-home units, or commercial site. Upon information and belief, CSC will continue to contribute to infringement of the ’045 Patent unless enjoined.

52. CSC actively encourages their business partners and/or customers to use CSCPay Mobile and/or CSC Go as installed on a smartphone in an infringing manner. Despite knowing of PayRange’s patented technology, CSC actively induced its business partners and/or customers to use CSCPay Mobile and/or CSC Go in an infringing manner. CSC encouraged this infringement with a specific intent to cause its business partners and customers to infringe. CSC’s acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

53. Upon information and belief, CSC will continue to induce infringement of the ’045 Patent unless enjoined.

54. CSC’s direct infringement, contributory infringement, and inducement of infringement have irreparably harmed PayRange. For example, but for CSC’s infringement,

PayRange would have installed its competing solution. PayRange's business and its valuation is enhanced with each machine added to its payment network, which in turns adds more users to the network. The full value of each installation may not be amenable to calculation due in part to the network effect of devices and users. Additionally, the continued infringement harms PayRange's reputation in the marketplace by discouraging other potential customers from entering into agreements for PayRange's solutions. CSC's infringement also encourages other potential customers to develop their own infringing solutions instead of working with PayRange. These reputational and business harms cannot be adequately remedied by monetary compensation.

55. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement.

56. CSC's infringement has been and is willful and, pursuant to 35 U.S.C. § 284, PayRange is entitled to treble damages. CSC's willful infringement is based at least on CSC's knowledge of PayRange, its products, and its patents. For example, prior to filing this lawsuit PayRange had several communications with CSC regarding PayRange's patents, including a presentation on PayRange products and a draft complaint to be filed with this court listing the '045 Patent. CSC's conduct is egregious as it continued offering, selling, making, and using infringing products despite knowledge of the infringement. CSC either willfully and wantonly infringed the '045 Patent or have recklessly avoided knowledge of its own infringement, even when faced with knowledge of PayRange's own products and patents.

57. This case is "exceptional" within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys' fees.

COUNT II
INFRINGEMENT OF THE '208 PATENT

58. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

59. PayRange is the assignee and owner of all right, title, and interest in and to the ’208 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product embodying the ’208 Patent throughout the United States, and to import any product embodying the ’208 Patent into the United States.

60. The ’208 Patent is an invention of systems and methods for interactions with unattended retail machines using detectable trigger conditions and limited-scope authorization grants.

61. A significant advantage of the ’208 Patent is the ability to preemptively authorize a transaction when a customer approaches an unattended retail machine. This, in addition to the use of the mobile phone’s long-range communication capabilities (rather than requiring a long-range communication unit is a significant improvement over the prior art.

62. Upon information and belief, CSC has and is infringing at least claim 1 of the ’208 Patent in this District and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, selling and/or offering for sale products with built-in mobile payment functionalities, covered by one or more claims of the ’208 Patent to the injury of PayRange. CSC is directly infringing, literally infringing, and/or infringing the ’208 Patent under the doctrine of equivalents. CSC is thus liable for infringement of the ’208 Patent pursuant to 35 U.S.C. § 271(a).

63. When placed into operation by CSC or users of CSC infringe at least claim 1 of the ’208 Patent. When, for example, CSCPay Mobile and/or CSC Go is installed on a mobile phone it performs a method of, at a mobile device with one or more processors, memory, and a

communications unit, and prior to user selection of any items or services provided by an automatic retail machine: notifying an electronic payment device coupled with the automatic retail machine that the mobile device has entered an authorization zone associated with the automated retail machine: in response to notifying the electronic payment device that the mobile device has entered the authorization zone, receiving from the electronic payment device, via the communications unit, a request to preemptively obtain authorization to make funds available for cashless transactions with the automatic retail machine; sending the request to a server via the communications unit; in response to sending the request to the server, receiving, from the server, an authorization grant of an amount of funds corresponding to a maximum amount associated with an item or service provided by the automatic retail machine, wherein the authorization grant expires upon satisfaction of one or more predetermined criteria; detecting, by an application executing on the mobile device, a trigger condition to initiate a cashless transaction with the automatic retail machine; and in response to detecting the trigger condition and in accordance with a determination that the one or more predetermined criteria have not been satisfied, sending to the electronic payment device the authorization grant via the communications unit, enabling a user to select an item or service provided by the automatic retail machine for less than or equal to the amount of funds.

64. To the extent CSCPay Mobile and/or CSC Go, without more, do not directly infringe at least claim 1 of the ’208 Patent, CSC contributes to infringement of the same under 35 U.S.C. § 271(c) inasmuch as the infringing products offered for sale and sold by CSC is a component of a patented machine or an apparatus used in practicing a patented process, constituting a material part of PayRange’s invention, knowing the same to be especially made or especially adapted for use in infringement of the ’208 Patent.

65. CSC actively encourage their business partners and/or customers to use CSCPay Mobile and/or CSC Go in an infringing manner. CSC encouraged infringement with a specific intent to cause its business partners and customers to infringe. CSC's acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

66. CSC's direct infringement, contributory infringement, and inducement of infringement have irreparably harmed PayRange. If CSC would not have chosen to infringe, they likely would have entered into an agreement with PayRange for the use of PayRange's solution because not offering a mobile payment solution sought by its customers in this era would have positioned CSC uncompetitively relative to CSC's competitors who use licensed PayRange technology. The continued infringement harms PayRange's reputation in the marketplace by discouraging other potential customers from entering into agreements for PayRange's solutions. CSC's infringement also encourages other potential customers to develop their own infringing solutions instead of working with PayRange. These reputational and business harms cannot be adequately remedied by monetary compensation.

67. Upon information and belief, CSC will continue to infringe the '208 Patent unless enjoined.

68. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement.

69. This case is "exceptional" within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys' fees.

COUNT III
INFRINGEMENT OF THE '608 PATENT

70. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

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71. PayRange is the assignee and owner of all right, title, and interest in and to the ’608 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product embodying the ’608 Patent throughout the United States, and to import any product embodying the ’608 Patent into the United States.

72. A significant advantage of the ’608 Patent is the addition of electrical pulses that simulate an analog signal. This signal emulates the same signal an offline payment-operated machine would receive from a coin receiving switch. This allows for the addition of wireless communication to an offline payment-operated machine thus improving the technology of these machines.

73. Upon information and belief, CSC has and is infringing at least claim 1 of the ’608 Patent in this District and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, selling and/or offering for sale products with built-in mobile payment functionalities, covered by one or more claims of the ’608 Patent to the injury of PayRange. CSC is directly infringing, literally infringing, and/or infringing the ’608 Patent under the doctrine of equivalents. CSC is thus liable for infringement of the ’608 Patent pursuant to 35 U.S.C. § 271(a).

74. When placed into operation by CSC or users of CSC’s infringe at least claim 1 of the ’608 Patent. They include a payment module for an offline payment-operated machine including a coin receiving switch, the payment module comprising: a short-range wireless transceiver (e.g., Bluetooth) configured to communicate with one or more mobile devices; one or more processors; a first interface module configured to output to a control unit of the offline payment-operated machine one or more electrical pulses, each of the one or more electrical pulses emulating an analog signal generated by the coin receiving switch of the offline payment-

operated machine in response to insertion of a single coin of a predetermined type in the offline payment-operated machine; and memory (e.g., Flash memory) with one or more programs for execution by the one or more processors, the one or more programs including instructions for: storing, in the memory of the payment module, a number of the electrical pulses that must be received by the control unit to initiate an operation of the offline payment operating machine; receiving a wireless request via the short-range wireless transceiver from a respective mobile device of the one or more mobile devices to initiate a cashless operation of the offline-payment operated machine; and in response to the wireless request: determining a first number of electrical pulses to output via the first interface module to the control unit of the offline payment-operated machine in order to initiate the requested cashless operation of the offline payment-operated machine; causing the offline payment-operated machine to initiate the requested cashless operation by issuing the first number of electrical pulses to the control unit via the first interface module; and sending operation information corresponding to the initiated operation of the offline payment-operated machine to the respective mobile device via the short-range wireless transceiver.

75. To the extent payment modules for CSCPay Mobile and/or CSC Go, without more, do not directly infringe at least claim 1 of the ’608 Patent, CSC contributes to infringement of the same under 35 U.S.C. § 271(c) inasmuch as the infringing products offered for sale and sold by CSC are each a component of a patented machine or an apparatus used in practicing a patented process, constituting a material part of PayRange’s invention, knowing the same to be especially made or especially adapted for use in infringement of the ’608 Patent.

76. CSC actively encourage their business partners and/or customers to use payment modules for CSCPay Mobile and/or CSC Go in an infringing manner. CSC encourages

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infringement with a specific intent to cause its business partners and customers to infringe. CSC's acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

77. CSC's direct infringement, contributory infringement, and inducement of infringement have irreparably harmed PayRange. If CSC would not have chosen to infringe, they likely would have entered into an agreement with PayRange for the use of PayRange's solution. The continued infringement harms PayRange's reputation in the marketplace by discouraging other potential customers from entering into agreements for PayRange's solutions. CSC's infringement also encourages other potential customers to develop their own infringing solutions instead of working with PayRange. These reputational and business harms cannot be adequately remedied by monetary compensation.

78. Upon information and belief, CSC will continue to infringe the '608 Patent unless enjoined.

79. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement.

80. This case is "exceptional" within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys' fees.

COUNT IV
INFRINGEMENT OF THE '772 PATENT

81. PayRange realleges and incorporates the allegations of the preceding paragraphs of this complaint as if fully set forth herein.

82. PayRange is the assignee and owner of all right, title, and interest in and to the '772 Patent. PayRange has the exclusive right to make, use, sell, and offer to sell any product

embodying the ’772 Patent throughout the United States, and to import any product embodying the ’772 Patent into the United States.

83. A significant advantage of the ’772 Patent is the capability to display multiple payment accepting units on a mobile device. This allows a user to select one of many different machines and initiate payment to the selected machine using a mobile device.

84. The ’772 Patent was unconventional in several respect. For one, the ’772 Patent taught the ability to identify payment accepting units in proximity to the mobile device. In contrast, prior systems relied on server-based solution where the user interacted with the server which, in turn, interacted with the payment accepting unit. The user was required to identify their location. This resulted in errors where the end-user selected the wrong location or, at minimum, wasted time making the selection. The ’772 Patent advantageously identified payment accepting units in proximity as an initial step.

85. Additionally, the ’772 Patent was unconventional by virtue of triggering payment ***before*** establishing a wireless communication path with the payment accepting unit. The conventional wisdom was to first establish a communication path with the payment accepting unit and thereafter trigger payment. The ’772 Patent effectively broke the payment transaction into two discrete parts to achieve numerous benefits including, reduction in transaction costs and mitigating the impact of poor cellular coverage.

86. Further, certain embodiments of the ’772 Patent allowed for the payment accepting unit to utilize the long-range transceiver (e.g., cellular modem) of a mobile device to communicate with a server. This reduced the need for installing a cellular modem in each payment accepting unit.

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87. Upon information and belief, CSC has and is infringing at least claims 1 and 4 of the ’772 Patent in this District and elsewhere in the United States, by, among other things, directly or through intermediaries, making, using, selling and/or offering for sale products with mobile payment functionality, covered by one or more claims of the ’772 Patent to the injury of PayRange. CSC is directly infringing, literally infringing, and/or infringing the ’772 Patent under the doctrine of equivalents. CSC is thus liable for infringement of the ’772 Patent pursuant to 35 U.S.C. § 271(a).

88. When placed into operation by CSC or users of CSC infringe at least claim 1 of the ’772 Patent. When, for example, CSCPay Mobile and/or CSC Go is installed on a mobile phone it performs the claimed method.

89. To the extent CSCPay Mobile and/or CSC Go, without more, do not directly infringe at least the above-identified claims of the ’772 Patent, CSC contributes to infringement of the same under 35 U.S.C. § 271(c) inasmuch as the infringing products (*e.g.*, CSCPay Mobile and/or CSC Go) offered for sale and sold by CSC is a component of a patented machine or an apparatus used in practicing a patented process, constituting a material part of PayRange’s invention, knowing the same to be especially made or especially adapted for use in infringement of the ’772 Patent.

90. CSC actively encourage their business partners and/or customers to use CSCPay Mobile and/or CSC Go in an infringing manner. CSC encouraged infringement with a specific intent to cause its business partners and customers to infringe. CSC’s acts thus constitute active inducement of patent infringement in violation of 35 U.S.C. § 271(b).

91. CSC’s direct infringement, contributory infringement, and inducement of infringement have irreparably harmed PayRange. If CSC would not have chosen to infringe,

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they likely would have entered into an agreement with PayRange for the use of PayRange's solution. The continued infringement harms PayRange's reputation in the marketplace by discouraging other potential customers from entering into agreements for PayRange's solutions. CSC's infringement also encourages other potential customers to develop their own infringing solutions instead of working with PayRange. These reputational and business harms cannot be adequately remedied by monetary compensation.

92. Upon information and belief, CSC will continue to infringe the '772 Patent unless enjoined.

93. Pursuant to 35 U.S.C. § 284, PayRange is entitled to damages adequate to compensate for the infringement.

94. This case is "exceptional" within the meaning of 35 U.S.C. § 285, and PayRange is entitled to an award of attorneys' fees.

REQUEST FOR RELIEF

WHEREFORE, PayRange requests that the Court find in its favor and against CSC, and that the Court grant PayRange the following relief:

a. Judgment that CSC infringes the patents-in-suit;

b. Judgment that CSC is jointly and severally liable for infringement of the patents-in-suit.

c. That PayRange be granted with injunctive relief against CSC and its officers, employees, agents, servants, attorneys, instrumentalities, and/or those in privity with them, to prevent the recurrence of the infringing activities complained of herein, including an injunction against further installations of infringing payment modules and removing all infringing mobile apps from all third party app stores such as the

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Google Play Store and Apple App Store, and for all further proper injunctive relief pursuant to 35 U.S.C. § 283;

d. Judgment that CSC account for and pay to PayRange all damages and costs incurred by PayRange, caused by CSC's infringing activities complained of herein;

e. Judgment that CSC willfully infringed the '045 Patent and increases the damages award to PayRange up to three times the amount assessed, pursuant to 35 U.S.C. § 284;

f. That PayRange be granted pre-judgment and post-judgment interest on the damages;

g. That this Court declare this an exceptional case and award PayRange reasonable attorneys' fees and costs in accordance with 35 U.S.C. § 285; and

h. That PayRange be granted such other and further relief as the Court may deem just and proper under the circumstances.

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Dated: May 19, 2023

WILSON SONSINI GOODRICH & ROSATI,
Professional Corporation

/s/ *Ian R. Liston*

Ian R. Liston (Delaware Bar I.D. # 5507)
222 Delaware Avenue
Suite 800
Wilmington, DE 19801
iliston@wsgr.com
Telephone: (302) 304-7600
Facsimile: (866) 974-7329

James C. Yoon (PHV pending)
Ryan R. Smith (PHV pending)
Jamie Y. Otto (PHV pending)
WILSON SONSINI GOODRICH & ROSATI
Professional Corporation
650 Page Mill Road
Palo Alto, CA 94304-1050
Telephone: (650) 493-9300
Facsimile: (650) 565-5100
Email: jyoon@wsgr.com , rsmith@wsgr.com, jotto@wsgr.com

ATTORNEYS FOR PLAINTIFF PAYRANGE INC